

REFERENCE TITLE: **property tax assessment, valuation, appeals**

State of Arizona
House of Representatives
Forty-seventh Legislature
Second Regular Session
2006

HB 2821

Introduced by
Representative Burges

AN ACT

AMENDING SECTIONS 42-11001, 42-13352, 42-16202, 42-16203, 42-16205 AND
42-17052, ARIZONA REVISED STATUTES; RELATING TO PROPERTY TAX ASSESSMENTS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:
2 Section 1. Section 42-11001, Arizona Revised Statutes, is amended to
3 read:

4 **42-11001. Definitions**

5 In chapters 11 through 19 of this title, unless the context otherwise
6 requires:

7 1. "Assessed valuation" means the value derived by applying the
8 applicable percentage prescribed by chapter 15, article 1 of this title to
9 the full cash value or limited property value of the property, as applicable.

10 2. "Board" or "state board" means the state board of equalization.

11 3. "County board" means the county board of supervisors sitting as the
12 county board of equalization.

13 4. "Current usage" means the use to which property is put at the time
14 of valuation by the assessor or the department.

15 5. "DUE DATE" MEANS THE NEXT BUSINESS DAY IF A DUE DATE OF ANY REPORT,
16 CLAIM, RETURN, STATEMENT, PAYMENT, DEPOSIT, PETITION, NOTICE OR OTHER
17 DOCUMENT OR FILING FALLS ON SATURDAY, SUNDAY OR A LEGAL HOLIDAY.

18 5. "Full cash value" for property tax purposes means the value
19 determined as prescribed by statute. If no statutory method is prescribed,
20 full cash value is synonymous with, AND SHALL NOT EXCEED, market value which
21 means the estimate of value that is derived annually by using standard
22 appraisal methods and techniques. Full cash value is the basis for
23 assessing, fixing, determining and levying secondary property taxes.

24 6. "Limited property value" means the value determined pursuant to
25 section 42-13301. Limited property value is the basis for:

26 (a) Computing levy limitations for counties, cities, towns and
27 community college districts.

28 (b) Assessing, fixing, determining and levying primary property taxes.

29 8. "NET ASSESSED VALUE" MEANS THE ASSESSED VALUE MINUS ANY EXEMPT
30 PROPERTY.

31 7. "Person" means a natural person, individual, proprietor,
32 proprietorship, company, corporation, organization, association, joint
33 venture, partner, partnership, trust, estate, OR limited liability company,
34 the federal or state government, a political subdivision of a state or any
35 other legal entity or combination of entities that owns, controls or has
36 possession of real or personal property.

37 8. "Personal property" includes property of every kind, both
38 tangible and intangible, not included in the term real estate.

39 9. "Primary property taxes" means all ad valorem taxes except for
40 secondary property taxes.

41 10. "Producing mine" or "mining claim" means a mine or mining
42 claim from which coal or any other mineral or mineral substance, except for
43 clay, sand, gravel, building stone or a mineral or mineral substance that is
44 normally processed into artificial stone, has been extracted for commercial

1 purposes at any time during a period of one year before the first Monday in
2 January of the valuation year.

3 ~~11.~~ 13. "Real estate" includes the ownership of, claim to, possession
4 of or right of possession to lands or patented mines.

5 ~~12.~~ 14. "Roll" means the assessment and tax roll.

6 ~~13.~~ 15. "Secondary property taxes" means:

7 (a) Ad valorem taxes or special property assessments that are used to
8 pay the principal of and the interest and redemption charges on bonded
9 indebtedness or other lawful long-term obligations that are issued or
10 incurred for a specific capital purpose by a municipality, county or taxing
11 district.

12 (b) Ad valorem taxes or assessments levied by or for special taxing
13 districts and assessment districts other than school districts and community
14 college districts.

15 (c) Amounts levied pursuant to an election to exceed a budget,
16 expenditure or tax limitation.

17 ~~14.~~ 16. "Tax year" for all property means the calendar year in which
18 the taxes are levied.

19 ~~15.~~ 17. "Valuation" means the full cash value or limited property
20 value that is determined for real or personal property, as applicable.

21 ~~16.~~ 18. "Valuation date", for the purposes of real property and
22 property valued by the department, means January 1 of the year preceding the
23 year in which taxes are levied.

24 ~~17.~~ 19. "Valuation year" means:

25 (a) For real property and property valued by the department, the
26 calendar year preceding the year in which the taxes are levied.

27 (b) For personal property, the calendar year in which the taxes are
28 levied.

29 Sec. 2. Section 42-13352, Arizona Revised Statutes, is amended to
30 read:

31 42-13352. Determining valuation of property of manufacturers,
32 assemblers or fabricators

33 A. The county assessor shall determine the valuation of both real and
34 personal property valued under this article.

35 B. For purposes of determining the valuation of property valued under
36 this article, the county assessor shall use standard appraisal methods and
37 techniques as provided in section 42-11001, paragraph ~~5~~ 6 and section
38 42-11054, except as otherwise provided in this article.

39 C. The taxable value of personal property is the result of acquisition
40 costs less any appropriate depreciation as prescribed by the department. The
41 taxable value shall not exceed the market value.

1 Sec. 3. Section 42-16202, Arizona Revised Statutes, is amended to
2 read:

3 **42-16202. Appeal from county board of equalization to court**

4 A. A property owner who is dissatisfied with the valuation or
5 classification of the property as determined by a county board of
6 equalization or a petitioner whose petition is denied by the county board of
7 equalization, in whole or in part, may appeal directly to court within sixty
8 days after the date of mailing of the decision, ~~but in any case not later~~
9 ~~than OR BY~~ December 15, **WHICHEVER IS LATER.**

10 B. If the county board orders the valuation of any property to be
11 reduced, the assessor or the department, ~~on or before December 15,~~ may appeal
12 the decision to court in the same manner as provided by subsection A.

13 Sec. 4. Section 42-16203, Arizona Revised Statutes, is amended to
14 read:

15 **42-16203. Appeal from state board of equalization to court**

16 A. Any party, or the department, that is dissatisfied with the
17 valuation or classification of property reviewed by the state board of
18 equalization may appeal to court as provided by this article.

19 B. The department or a county assessor who is dissatisfied with the
20 determination by the state board of an equalization order under section
21 42-16159 may appeal to the court as provided by this article.

22 C. An appeal to court shall be taken within sixty days after the date
23 of **MAILING OF** the state board's final decision.

24 D. Appeals resulting from a change in value due to correcting a
25 property tax error pursuant to article 6 of this chapter shall be filed
26 within sixty days after the **DATE OF MAILING OF THE** state board's decision.

27 Sec. 5. Section 42-16205, Arizona Revised Statutes, is amended to
28 read:

29 **42-16205. Appeal to court in the case of new construction,
changes to assessment parcels and changes in use**

30 A. An appeal to court from the state board of equalization or a county
31 board of equalization relating to changes in assessments under section
32 42-15105 due to new construction, additions to or deletions from assessment
33 parcels or changes in property use that occur after September 30 of the
34 preceding year and before October 1 of the valuation year shall be filed
35 within sixty days after the date **OF MAILING** of the decision.

36 B. A new owner of property that was valued by the assessor and whose
37 valuation was not appealed by the former owner of the property may appeal the
38 valuation to court on or before December 15 of the year in which the taxes
39 are levied.

40 Sec. 6. Section 42-17052, Arizona Revised Statutes, is amended to
41 read:

42 **42-17052. Values furnished by county assessor**

43 A. On or before February 10 of the tax year, the county assessor shall
44 transmit and certify to the property tax oversight commission and to the

1 governing body of the political subdivision or district in the county the
2 values that are required to compute the levy limit prescribed by section
3 42-17051. FOR THE PURPOSES OF THIS SECTION, THESE VALUES SHALL NOT BE
4 CHANGED AFTER FEBRUARY 10 WITHOUT THE APPROVAL OF THE PROPERTY TAX OVERSIGHT
5 COMMISSION. These values shall include:

6 1. The finally equalized valuation of all property, less estimated
7 exemptions, appearing on the tax roll for the current tax year to be used to
8 fix, levy and assess the political subdivision's taxes.

9 2. The value of the property on the personal property tax roll
10 determined pursuant to section 42-17053.

11 B. On or before February 10 of the tax year, the county assessor shall
12 determine the limited property value for the current tax year of each school
13 district in the county and shall transmit the values to the county school
14 superintendent to assist the superintendent in computing equalization
15 assistance for education as provided in section 15-991.

16 C. On or before February 10 of the tax year, the county assessor shall
17 transmit to the staff of the joint legislative budget committee and to the
18 governor's office of strategic planning and budgeting the values that are
19 required to compute the truth in taxation rates prescribed by section
20 41-1276.